

**ECONOMIC AND FISCAL IMPACT STATEMENT  
(REGULATIONS AND ORDERS)**

STD. 399 (Rev. 2-98)

See SAM Sections 6600 - 6680 for Instructions and Code Citations

DEPARTMENT NAME	CONTACT PERSON	TELEPHONE NUMBER
Department of Pesticide Regulation	Ann Hanger	916-445-8411
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400		NOTICE FILE NUMBER
Addition of Qualified Applicator Licensing and Certification Subcategories & Prohibitions		

**ECONOMIC IMPACT STATEMENT****A. ESTIMATED PRIVATE SECTOR COST IMPACTS** *(Include calculations and assumptions in the rulemaking record.)*

1. Check the appropriate box(es) below to indicate whether this regulation:



a. Impacts businesses and/or employees



e. Imposes reporting requirements



b. Impacts small businesses



f. Imposes prescriptive instead of performance standards



c. Impacts jobs or occupations



g. Impacts individuals



d. Impacts California competitiveness

h. None of the above *(Explain below. Complete the Fiscal Impact Statement as appropriate.)*

h. (cont.) \_\_\_\_\_

*(If any box in Items 1 a through g is checked, complete this Economic Impact Statement.)*2. Enter the total number of businesses impacted: 1,800 Describe the types of businesses *(Include nonprofits)*: Wineries (2,700 businesses total but only 800 of 2,700 estimated to obtain subcategory P) and 1,000 maintenance gardener (MG) pest control businesses.Enter the number or percentage of total businesses impacted that are small businesses: 12.5 percent Winery (of the 800) & 100 percent MG3. Enter the number of businesses that will be created 0 or eliminated: 0Explain: No new winery sanitation businesses expected—existing wine industry service businesses are likely to expand services to include winery sanitation activities (per Wine Institute). No new MG businesses expected as a result of this regulation because they are already in operation.4. Indicate the geographic extent of impacts: ☒ Statewide ☐ Local or regional *(list areas)*: \_\_\_\_\_5. Enter the number of jobs created: 0 or eliminated: 0 Describe the types of jobs or occupations impacted: Current winery sanitation workers will seek licensing or certification (estimated at 25).

6. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here?



Yes



No

If yes, explain briefly: \_\_\_\_\_

**B. ESTIMATED COSTS** *(Include calculations and assumptions in the rulemaking record.)*1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime: \$2,208,500 (See attachment Table 1)a. Initial costs for a small business: \$ 275-500 Annual ongoing costs: \$ 165-380 Years: 5b. Initial costs for a typical business: \$ 275-500 Annual ongoing costs: \$ 165-380 Years: 5c. Initial costs for an individual: \$ 275-500 Annual ongoing costs: \$ 165-380 Years: 5d. Describe other economic costs that may occur: None

## ECONOMIC AND FISCAL IMPACT STATEMENT *cont. (STD. 399, Rev. 2-98)*

2. If multiple industries are impacted, enter the share of total costs for each industry: Wineries: 36 percent (using 825), MG: 64 percent
3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements. *(Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted.):* \$ 100
4. Will this regulation directly impact housing costs? ☐ Yes ☒ No If yes, enter the annual dollar cost per housing unit: \$\_\_\_\_\_ and the number of units: \_\_\_\_\_
5. Are there comparable Federal regulations? ☐ Yes ☒ No Explain the need for State regulation given the existence or absence of Federal regulations: Food and Agricultural Code section 12203.1 authorizes subcategories. No federal standards for applicators not using restricted use pesticides.
- Enter any additional costs to businesses and/or individuals that may be due to State-Federal differences: \$1,193,437\*  
\*Additional cost is the cost of the maintenance gardener regulations (no comparable federal regulations) minus the cost savings to wineries by implementing subcategory P.

### C. ESTIMATED BENEFITS *(Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.)*

Briefly summarize the benefits that may result from this regulation and who will benefit: Unlicensed MG businesses/applicators and wineries will seek legal licensing/certification and will have the knowledge and skills to appropriately use pesticides and safeguard workers, residents, pets, and the environment. Reduced requirements (lower fees) for applicants compared to status quo.

2. Are the benefits the result of: ☐ specific statutory requirements, or ☒ goals developed by the agency based on broad statutory authority?
- Explain: The goal is to bring more currently operating unlicensed individuals and businesses into compliance.
3. What are the total statewide benefits from this regulation over its lifetime? \$ Unquantifiable

### D. ALTERNATIVES TO THE REGULATION *(Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.)*

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not: Only feasible alternative is status quo. Status quo would subject maintenance gardener businesses/applicators and persons responsible for sanitizing wine corks and barrels to more continuing education (CE) hours and higher costs than the proposed regulation.
2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:

Regulation: Benefit: \$	Unquantifiable	Cost: \$2,208,500 (See attachment, Table 1)
Alternative 1 Benefit: \$	Unquantifiable	Cost: \$2,737,563 (See attachment, Table 2)
Alternative 2 Benefit: \$		Cost: \$

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: None
4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs? ☒ Yes ☐ No
- Explain: Found not to be applicable to this licensing and certification program.

### E. MAJOR REGULATIONS *(Include calculations and assumptions in the rulemaking record.)* *Cal/EPA boards, offices and departments are subject to the following additional requirements per Health and Safety Code section 57005.*

## ECONOMIC AND FISCAL IMPACT STATEMENT *cont. (STD. 399, Rev. 2-98)*

1. Will the estimated costs of this regulation to California business enterprises exceed \$10 million ? ☐ Yes    No ☒ (If No, skip the rest of this section)

2. Briefly describe each equally as effective alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:

Alternative 1: \_\_\_\_\_

Alternative 2: \_\_\_\_\_

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

Regulation	\$ _____	Cost-effectiveness ratio: _____
Alternative 1	\$ _____	Cost-effectiveness ratio: _____
Alternative 2	\$ _____	Cost-effectiveness ratio: _____

### FISCAL IMPACT STATEMENT

A. FISCAL EFFECT ON LOCAL GOVERNMENT *(Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years)*

☐ 1. Additional expenditures of approximately \$ \_\_\_\_\_ in the current State Fiscal Year which are reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code. Funding for this reimbursement:

☐ a. is provided in (Item \_\_\_\_\_, Budget Act of \_\_\_\_\_) or (Chapter \_\_\_\_\_, Statutes of \_\_\_\_\_)

☐ b. will be requested in the \_\_\_\_\_ Governor's Budget for appropriation in Budget Act of \_\_\_\_\_.  
(FISCAL YEAR)

☐ 2. Additional expenditures of approximately \$ \_\_\_\_\_ in the current State Fiscal Year which are not reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code because this regulation:

☐ a. implements the Federal mandate contained in \_\_\_\_\_

☐ b. implements the court mandate set forth by the \_\_\_\_\_  
court in the case of \_\_\_\_\_ vs. \_\_\_\_\_

☐ c. implements a mandate of the people of this State expressed in their approval of Proposition No. \_\_\_\_\_ at the \_\_\_\_\_  
election; (DATE)

☐ d. is issued only in response to a specific request from the \_\_\_\_\_  
\_\_\_\_\_, which is/are the only local entity(s) affected;

☐ e. will be fully financed from the \_\_\_\_\_ authorized by Section \_\_\_\_\_  
(FEES, REVENUE, ETC.)  
\_\_\_\_\_ of the \_\_\_\_\_ Code;

☐ f. provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each such unit.

☐ 3. Savings of approximately \$ \_\_\_\_\_ annually.

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- ☐ 4. No additional costs or savings because this regulation makes only technical, non-substantive or clarifying changes to current law and regulations.
- ☐ 5. No fiscal impact exists because this regulation does not affect any local entity or program.
- ☒ 6. Other. The estimated statewide revenue generated from increases in business applications is estimated at \$5,800 for FY 2010-2011; \$11,600 for FY 2011-2012; and \$17,400 for FY 2012-2013 (See attachment, Table 3). Fees collected would offset workload.

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**B. FISCAL EFFECT ON STATE GOVERNMENT** *(Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)*

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- ☒ 1. Additional expenditures of approximately \$80,000-240,000 (see attachment for more detail) in the current State Fiscal Year. It is anticipated that State agencies will:
- ☐ a. be able to absorb these additional costs within their existing budgets and resources
- ☒ b. request an increase in the currently authorized budget level for the 2011-2012 fiscal year. (See attachment, note after Table 5)
- ☐ 2. Savings of approximately \$\_\_\_\_\_ in the current State Fiscal Year.
- ☐ 3. No fiscal impact exists because this regulation does not affect any State agency or program.
- ☒ 4. Other. Estimated additional revenue \$73,000-185,000 (see attachment for more detail).

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**C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS** *(Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)*

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- ☐ 1. Additional expenditures of approximately \$\_\_\_\_\_ in the current State Fiscal Year.
- ☐ 2. Savings of approximately \$\_\_\_\_\_ in the current State Fiscal Year.
- ☒ 3. No fiscal impact exists because this regulation does not affect any federally funded State agency or program.
- ☐ 4. Other.

SIGNATURE		TITLE
		
AGENCY SECRETARY <sup>1</sup>		DATE
APPROVAL/CONCURRENCE		
DEPARTMENT OF FINANCE <sup>2</sup>	PROGRAM BUDGET MANAGER	DATE
APPROVAL/CONCURRENCE		

1. The signature attests that the agency has completed the STD. 399 according to the instructions in SAM sections 6600-6680, and understands the impacts of the proposed rulemaking. State boards, offices, or departments not under an Agency Secretary must have the form signed by the highest ranking official in the organization.
2. Finance approval and signature is required when SAM sections 6600-6670 require completion of the Fiscal Impact Statement in the STD. 399. However, Finance must immediately receive a copy of each STD. 399 submitted to OAL without Finance signature, and Finance may subsequently question the "no fiscal impact" finding of a state agency.